UNITED
NATIONS

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GENERAL

E/ECE/1391
4 January 2002

Original: ENGLISH

Economic and Social Council

ECONOMIC COMMISSION FOR EUROPE
Fifty-seventh session
(7-10 May 2002)

PROVISIONAL AGENDA FOR THE FIFTY-SEVENTH SESSION

**To be held in the Palais des Nations, Geneva,
starting at 10 a.m. on Tuesday, 7 May 2002**

1. Adoption of the Agenda

HIGH LEVEL POLICY SEGMENT

2. The policy implications of the Spring Seminar for ECE

3. Reactions to the Spring Seminar and to the Debate of the First Day of the Session

4. Economic aspects of security in Europe:
   - The ECE role in developing the economic conditions for long-term security
   - The sectoral dimension

GENERAL SEGMENT

5. The ECE Steering Group: Conclusions and recommendations

6. Matters arising from the work of the subsidiary bodies requiring decision by, or meriting the attention of, the Commission

7. Discussion of decisions arising from the high level policy segment for inclusion in the report of the Commission

GE. *0002020041*

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8. Progress Report on ECE Technical Assistance

9. Election of officers

10. Other business

11. Adoption of the report

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For reasons of economy, delegates are requested to bring copies of the documents mentioned in the provisional agenda to the meeting. There will be no documentation available in the meeting room.

Time	Agenda item	Introduction	Explanatory Notes	Documentation
7 May a.m.	Item 1: Adoption of the agenda	Chairman of the Commission	The adoption of the agenda will be followed by opening remarks by the Chairman of the Commission and the Executive Secretary.	E/ECE/1391
a.m. and p.m.	Item 2: The policy implications of the Spring Seminar for ECE	Chairman of the Commission and Executive Secretary	The discussion under item 2 will draw upon the debate during the Spring Seminar held on 6 May on "Labour Market Challenges in the ECE Region" and identify relevant linkages with ECE's Programme of Work. It will also draw on concrete experiences of ECE member States. The discussion will also consider the issue of cooperation and coordination with major organisations involved in labour market and employment issues.	
p.m.	Item 3: Reactions to the Spring Seminar and to the Debate of the First Day of the Session	Chairman of the Commission		

Time	Agenda item	Introduction	Explanatory Notes	Documentation
8 May a.m. and p.m.	Item 4: Economic aspects of security in Europe: • The ECE role in developing the economic conditions for long-term security • The sectoral dimension Item 5: The ECE Steering Group: Conclusions and recommendations	Executive Secretary Chairman and Executive Secretary	The consequences of 11 September for the work of ECE were discussed at the first meeting of the Steering Group and a background document was requested. Discussion under this item will include the contributions of PSB Chairpersons, representatives of partner organisations, the private sector, NGOs and academia. As decided at the fifty-sixth session, the results of the Steering Group's discussion on overall policy and direction will be considered by the Commission.	E/ECE/1392
9 May	No formal meetings will be held on this day as it is an official United Nations holiday. However, the Steering Group will meet and interested member countries are invited to participate.			
10 May a.m.	Item 6: Discussion of decisions arising from the high level policy segment for inclusion in the report of the Commission Item 7: Matters arising from the work of the subsidiary bodies requiring decision by, or meriting the attention of, the Commission	Chairman Executive Secretary		As necessary

Time	Agenda item	Introduction	Explanatory Notes	Documentation
10 May a.m.	Item 8: Progress report on ECE Technical Assistance	Chairman of the Group of Experts on the Programme of Work	The Group of Experts on the Programme of Work was requested by the Commission to hold discussions on the issue of ECE Technical Assistance. The Chairman of the Group will report on the progress of the discussions.	E/ECE/1393
10 May p.m.	Item 9: Election of officers Item 10: Other business Item 11: Adoption of Report	Chairman Chairman Rapporteur		Draft reports prepared during the Commission session

General Notes

1. The fifty-seventh session of the Commission (7-10 May 2002) will be preceded by a seminar on 6 May, on "Labour Market Challenges in the ECE Region". Debate under the session's agenda item 2 will draw upon the seminar's discussion.

2. There will be no formal meeting of the Commission on Thursday, 9 May as it is a United Nations holiday. Informal meetings among delegations will be facilitated by the secretariat.

3. In accordance with the Commission's Rules of Procedure, the documents referred to in the Provisional Agenda will, wherever possible, be transmitted to Governments in the Commission's three official languages (English, French, Russian) not less than forty-two days before the opening of the session, i.e. not later than 26 March 2002.

4. As part of the ongoing efforts of all concerned to revitalize the sessions of the Commission, and in keeping with the previous sessions of the Commission, the Bureau recommends that delegations, PSB Chairpersons and representatives from other organizations/initiatives should refrain from general statements and limit themselves to specific observations and proposals for action. Any delegation wishing to provide a text for distribution is requested to provide the secretariat, preferably in advance of the session, with sufficient copies (approximately 75).

UNITED NATIONS OFFICE – GENEVA
CONFERENCE REGISTRATION FORM

Date: .....

Title of the Conference

Fifty-seventh of the Economic Commission for Europe- 7-10 May 2002, and Seminar on Labour Market Challenges in the ECE Region, 6 May 2002 ".

Delegation/Participant of country, Organization or Agency)

Participant: Name **Mr.** ❑ **Mrs.**❑ **Ms.**❑ **First name(s)**

Participation Category

Head of delegation
Delegation Member
Observer Country ❑
Observer (organization) ❑
NGO ❑
Other (Please specify below) ❑

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Participation from **until**

In which language do you prefer to receive documents
English ❑ **French** ❑ **Russian** ❑

Official position (in own country): **Passport No :** **Validity until:**

Official telephone No: **Telefax N :** **E-mail address:**

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Address in Geneva:

Accompanied by spouse **Yes** ❑ **No** ❑

Family name (spouse) **First Name (spouse)**

On issue of ID Card	
Participant signature:	
Spouse signature:	
Date :	

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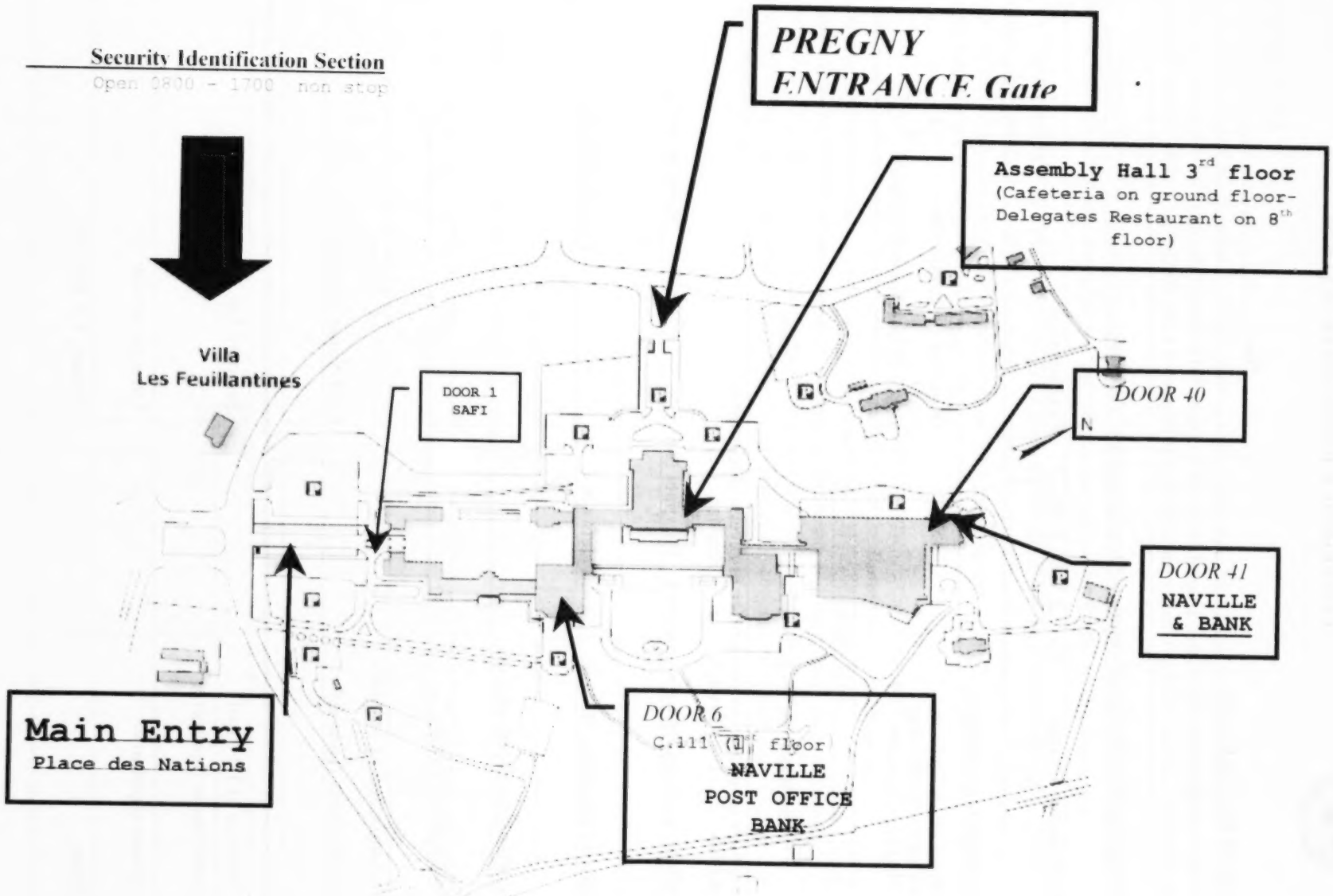
Security Identification Section
Open 0800 - 1700 non stop
PREGNY
ENTRANCE Gate
Assembly Hall 3rd floor
(Cafeteria on ground floor-
Delegates Restaurant on 8th
floor)
Villa
Les Feuillantines
DOOR 1
SAFI
DOOR 40
N
DOOR 41
NAVILLE
& BANK
Main Entry
Place des Nations
DOOR 6
C.111 (1) floor
NAVILLE
POST OFFICE
BANK

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Economic and Social
Council

Distr.
GENERAL

E/ECE/1391/Rev.1
26 February 2002

Original: ENGLISH

ECONOMIC COMMISSION FOR EUROPE
Fifty-seventh session
(7-10 May 2002)

PROVISIONAL AGENDA FOR THE FIFTY-SEVENTH SESSION

**To be held in the Palais des Nations, Geneva,
starting at 10 a.m. on Tuesday, 7 May 2002**

1. Adoption of the Agenda

HIGH LEVEL POLICY SEGMENT

2. The policy implications of the Spring Seminar for ECE

3. Reactions to the Spring Seminar and to the Debate of the First Day of the Session

4. Economic aspects of security in Europe:
   - The ECE role in developing the economic conditions for long-term security
   - The sectoral dimension

GENERAL SEGMENT

5. The ECE Steering Group: Conclusions and recommendations

6. Discussion of decisions arising from the high level policy segment for inclusion in the report of the Commission

7. Matters arising from the work of the subsidiary bodies requiring decision by, or meriting *the attention of, the Commission*

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8. Progress Report on ECE Technical Assistance

9. Pan-European Ministerial Meeting in preparation of the World Summit on the Information Society

10 Election of officers

11. Other business

12. Adoption of the report

In accordance with the accreditation procedures applicable to all meetings held at the Palais des Nations, delegates are requested to complete the attached registration form and transmit it, at the latest two weeks before the session, to the ECE secretariat (Fax No. +41 22 917 00 36 or E-mail to: alison.mangin@unece.org).

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Time	Agenda item	Introduction	Explanatory Notes	Documentation
7 May a.m.	Item 1: Adoption of the agenda	Chairman of the Commission	The adoption of the agenda will be followed by opening remarks by the Chairman of the Commission and the Executive Secretary.	E/ECE/1391/ Rev.1
a.m. and p.m.	Item 2: The policy implications of the Spring Seminar for ECE	Chairman of the Commission and Executive Secretary	The discussion under item 2 will draw upon the debate during the Spring Seminar held on 6 May on "Labour Market Challenges in the ECE Region" and identify relevant linkages with ECE's Programme of Work. It will also draw on concrete experiences of ECE member States. The discussion will also consider the issue of cooperation and coordination with major organisations involved in labour market and employment issues.	
p.m.	Item 3: Reactions to the Spring Seminar and to the Debate of the First Day of the Session	Chairman of the Commission		

Time	Agenda item	Introduction	Explanatory Notes	Documentation
8 May a.m. and p.m.	Item 4: Economic aspects of security in Europe: • The ECE role in developing the economic conditions for long-term security • The sectoral dimension Item 5: The ECE Steering Group: Conclusions and recommendations	Executive Secretary Chairman and Executive Secretary	The consequences of 11 September for the work of ECE were discussed at the first meeting of the Steering Group and a background document was requested. Discussion under this item will include the contributions of PSB Chairpersons, representatives of OSCE and other partner organisations, the private sector, NGOs and academia. As decided at the fifty-sixth session, the results of the Steering Group's discussion on overall policy and direction will be considered by the Commission.	E/ECE/1392
9 May	No formal meetings will be held on this day as it is an official United Nations holiday. However, the Steering Group will meet and interested member countries are invited to participate.			
10 May a.m.	Item 6: Discussion of decisions arising from the high level policy segment for inclusion in the report of the Commission Item 7: Matters arising from the work of the subsidiary bodies requiring decision by, or meriting the attention of, the Commission	Chairman Executive Secretary		As necessary

Time	Agenda item	Introduction	Explanatory Notes	Documentation
10 May a.m.	Item 8: Progress report on ECE Technical Assistance	Chairman of the Group of Experts on the Programme of Work	Debate under this item will begin with a briefing by the Chairman of the Group of Experts on the Programme of Work on the Group's deliberations concerning the issue of technical assistance.	E/ECE/1393
	Item 9: Pan-European Ministerial Meeting in preparation of the World Summit on the Information Society	Chairman	A representative of the Government of Romania, which has offered to host a Pan-European Ministerial Meeting in anticipation of the World Summit on the Information Society, will brief the Commission on this event.	
10 May p.m.	Item 10: Election of officers	Chairman		
	Item 11: Other business	Chairman		Draft reports prepared during the Commission session
	Item 12: Adoption of Report	Rapporteur		

General Notes

1. The fifty-seventh session of the Commission (7-10 May 2002) will be preceded by a seminar on 6 May, on "Labour Market Challenges in the ECE Region". Debate under the session's agenda item 2 will draw upon the seminar's discussion.

2. There will be no formal meeting of the Commission on Thursday, 9 May as it is a United Nations holiday. Informal meetings among delegations will be facilitated by the secretariat.

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UNITED NATIONS OFFICE – GENEVA
CONFERENCE REGISTRATION FORM

Date: .....

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Fifty-seventh of the Economic Commission for Europe- 7-10 May 2002, and Seminar on Labour Market Challenges in the ECE Region, 6 May 2002 ".

Delegation/Participant of country, Organization or Agency)

Participant: Name **Mr.** ❑ **Mrs.**❑ **Ms.**❑ **First name(s)**

Participation Category

Head of delegation ❑
Delegation Member ❑
Observer Country ❑
Observer (organization) ❑
NGO ❑
Other (Please specify below) ❑

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Participation from **until**

In which language do you prefer to receive documents
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Official position (in own country): **Passport No :** **Validity until:**

Official telephone No: **Telefax N :** **E-mail address:**

Permanent official address:

Address in Geneva:

Accompanied by spouse **Yes** ❑ **No** ❑

Family name (spouse) **First Name (spouse)**

On issue of ID Card	
Participant signature:	
Spouse signature:	
Date :	

Security Use Only	
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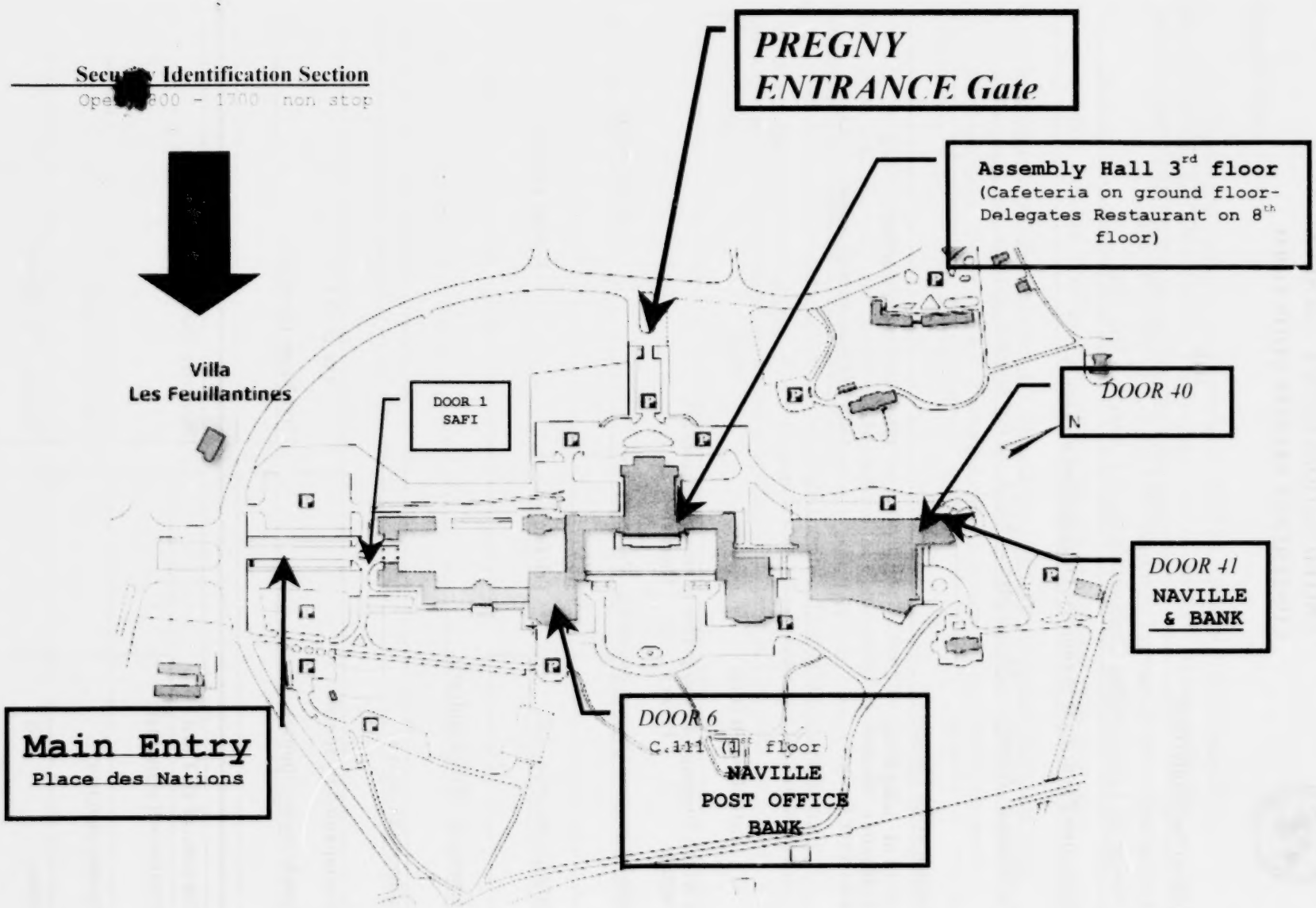
Initials, UN Official	


Security Identification Section
Open 0800 - 1700 non stop
PREGNY
ENTRANCE Gate
Assembly Hall 3rd floor
(Cafeteria on ground floor-
Delegates Restaurant on 8th
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Villa
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UNITED
NATIONS

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Economic and Social
Council

Distr.
GENERAL

E/ECE/1391/Rev.2
8 April 2002

Original: ENGLISH

ECONOMIC COMMISSION FOR EUROPE
Fifty-seventh session
(7-10 May 2002)

PROVISIONAL AGENDA FOR THE FIFTY-SEVENTH SESSION

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GENERAL SEGMENT

4. Discussion of decisions arising from the high level policy segment for inclusion in the report of the Commission

5. The ECE Steering Group: Conclusions and recommendations on the functioning of the PSBs and the Programme of Work

6. Strengthening the Organization

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7. Progress Report on ECE Technical Assistance

8. Preparation for and follow-up to World Conferences

9. Election of officers

10. Other business

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7 May a.m.	Item 1: Adoption of the agenda	Chairman of the Commission	The adoption of the agenda will be followed by opening remarks by the Chairman of the Commission and the Executive Secretary.	E/ECE/1391/ Rev.2
a.m. and p.m.	Item 2: The policy implications of the Spring Seminar for ECE	Chairman of the Commission and Executive Secretary	The discussion under item 2 will draw upon the debate during the Spring Seminar held on 6 May on "Labour Market Challenges in the ECE Region" and identify relevant linkages with ECE's Programme of Work. It will also draw on concrete experiences of ECE member States. The discussion will also consider the issue of cooperation and coordination with major organisations involved in labour market and employment issues.	Three issue papers available on the ECE website, www.unece.org

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8 May a.m. and p.m.	Item 3: Economic aspects of security in Europe: • The ECE role in developing the economic conditions for long-term security • The sectoral dimension Item 4: Discussion of decisions arising from the high level policy segment for inclusion in the report of the Commission	Executive Secretary Chairman	The consequences of 11 September for the work of ECE were discussed at the first meeting of the Steering Group and a background document was requested. Discussion under this item will include the contributions of PSB Chairpersons, representatives of OSCE and other partner organisations, the private sector, NGOs and academia.	E/ECE/1392 See also related documents TRANS/2002/15 TRADE/WP.5/2002/4 ENERGY/2001/7 Joint ECE/OSCE CRP
9 May	No formal meetings will be held on this day as it is an official United Nations holiday. However, the Steering Group will meet and interested member countries are invited to participate.			
10 May a.m.	Item 5: The ECE Steering Group: Conclusions and recommendations on the functioning of PSBs and the Programme of Work	Chairman and Executive Secretary	As decided at the fifty-sixth session, the results of the Steering Group's discussion on overall policy and direction will be considered by the Commission.	

Time	Agenda item	Introduction	Explanatory Notes	Documentation
10 May a.m.	Item 6: Strengthening the Organization	Executive Secretary	The Secretary-General has begun a new initiative entitled "Strengthening the Organization" which will build on the reforms he implemented during his first term in office. To launch the dialogue with ECE member countries on how ECE might be strengthened, the Executive Secretary will present her proposals to the Commission, it being understood that additional meetings will be scheduled to continue the discussions. The Conference Room Paper being prepared in relation to this item will subsequently be translated to facilitate those discussions.	Conference Room Paper
	Item 7: Progress report on ECE Technical Assistance	Chairman of the Group of Experts on the Programme of Work	Debate under this item will begin with a briefing by the Chairman of the Group of Experts on the Programme of Work on the Group's deliberations concerning the issue of technical assistance.	E/ECE/1393
	Item 8: Preparation for and follow-up to World Conferences	Chairman and Executive Secretary		
	• Pan-European Ministerial Meeting in preparation of the World Summit on the Information Society		A representative of the Government of Romania, which has offered to host a Pan-European Ministerial Meeting in anticipation of the World Summit on the Information Society, will brief the Commission on this event.	Conference Room Paper for Item 8

Time	Agenda item	Introduction	Explanatory Notes	Documentation
10 May a.m.	• ECE Ministerial Conference on Ageing, Berlin 2002 • Preparations for, and possible follow-up to, the World Summit on Sustainable Development • Follow-up to the International Conference on Financing for Development		A briefing will be given on the outcome of the Second World Assembly on Ageing and on the state of preparations for the ECE Ministerial Conference on Ageing to be held in Berlin in September 2002 The regional commissions have been active in supporting preparations for the WSSD and are continuing to do so, and there is an on-going discussion at the global level concerning the role of the commissions in the follow-up to the Summit. The Executive Secretary will brief the Commission concerning this matter The Executive Secretary will brief the Commission about the International Conference and table various ideas concerning follow-up on which the Commission may wish to have future discussions	
10 May p.m.	Item 9: Election of officers Item 10: Other business Item 11: Adoption of Report	Rapporteur		Draft reports prepared during the Commission session

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Observer Country ❑
Observer (organization) ❑
NGO ❑
Other (Please specify below) ❑

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Participation from **until**

In which language do you prefer to receive documents
English ❑ **French** ❑ **Russian** ❑

Official position (in own country): **Passport No :** **Validity until:**

Official telephone No: **Telefax N :** **E-mail address:**

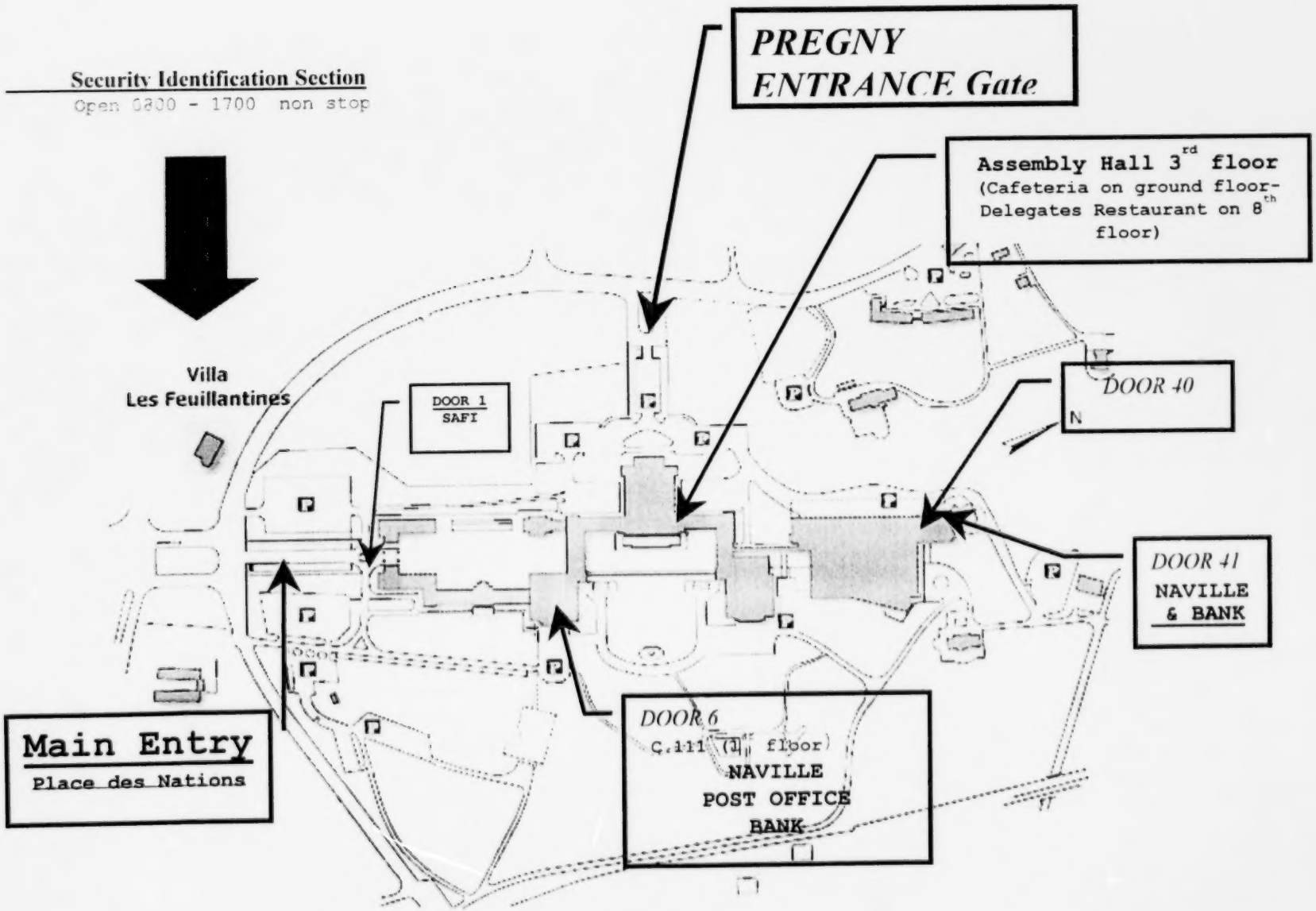
Permanent official address:

Address in Geneva:

Accompanied by spouse **Yes** ❑ **No** ❑

Family name (spouse) **First Name (spouse)**

On issue of ID Card		**Security Use Only**	
Participant signature:			
Spouse signature:		***Card No issued:***	
Date :		***Initials, UN Official***	


Security Identification Section
Open 0800 - 1700 non stop
PREGNY
ENTRANCE Gate
Assembly Hall 3rd floor
(Cafeteria on ground floor-
Delegates Restaurant on 8th
floor)
Villa
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N
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Economic and Social
Council

Distr.
GENERAL

E/ECE/1392
27 February 2002

Original: ENGLISH

ECONOMIC COMMISSION FOR EUROPE

Fifty-seventh session
(Provisional agenda item 4)

ECONOMIC ASPECTS OF SECURITY IN EUROPE

Note by the Executive Secretary

The present note focuses on the economic, social and environmental dimensions of security, highlighting their importance as well as the diversity and complexity of their interrelationships. Its conclusions point to two major challenges which the ECE and other regional institutions have to face in addressing these multifaceted aspects of security:

(1) The need to develop broader and more integrated approaches to security by: (a) giving proper consideration to the economic and social conditions of sustainable security, and to their policy implications; (b) assessing various economic, social and environmental risks which may have compounding effects through interactions, both among themselves and with other dimensions of security;

(2) The need to bring the conclusions of such integrated assessments to the political level, involving all relevant players, in particular the political bodies with decision-making responsibilities for security in the region.

In order for the ECE to contribute to meeting these two major challenges, the Commission may wish:

- To invite PSBs to place more emphasis on the analysis of those policies, within their respective areas of work, which have an impact on security, and to adjust their programme of work accordingly;

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- To request the Steering Group to integrate the outcomes of the policy analyses and dialogue developed by PSBs, with a view to considering policy responses to security issues within a cross-sectoral framework;

- To request the secretariat, in its cooperation with subregional groupings, to highlight and develop the security dimension of its contributions to various projects and activities in these subregions; this would apply, in particular, to its activities related to the Stability Pact, SECI, SPECA, CEI and BSEC;

- To encourage the secretariat to share its analyses with other institutions which have also developed an analytical capacity on security-related issues, with a view to consolidating and integrating these capacities, exchanging views on risk assessments and corresponding policy considerations, and making more visible the outcome of such exchanges;

- To invite the Executive Secretary: (i) to consider with the Secretary General of OSCE how to improve the modalities of cooperation between the two organizations in order to fully exploit their complementarities and, thereby, to maximise the impact of such cooperation;(ii) to put the security issue as an item on the agenda of the annual regional coordination meeting convened by the ECE or to organize, when necessary, an ad hoc meeting on specific security issues, together with the relevant organizations;

- To request the Executive Secretary, when ECE analyses indicate possible threats to security, to draw the attention of the Commission to such risks so that appropriate action can be taken;

- In such cases, to invite the ECE Executive Secretary to consult also with the Executive Heads of other relevant UN and non-UN organizations, such as the High Commissioner for Human Rights, the Secretaries General of OSCE and NATO, in order to share ECE's analysis of the situation and, if considered necessary, to prepare recommendations for action which would then be conveyed to the appropriate political bodies and authorities, both within the United Nations and the regional security organizations;

- To invite the ECE Executive Secretary to report on progress made at the 2003 annual session of the Commission.

I. Introduction

1. Security is about the creation and preservation of safe spaces for individuals, communities and states to pursue their aims in peace, with a reasonable degree of predictability and stability, and with due regard and respect for the aims and interests of others. The focus of this note is on the role of economic factors in securing the peace among states, but if security is seen as a continuum running from individuals through various levels of community to the state and the global system, then there can be no hard and fast line between the local, national and international. This broader notion of security has rapidly gained ground since the end of the cold war, with perceived threats to stability no longer dominated by risks of armed conflict between East and West or, rather, between two super powers. However, as the incidence and risk of armed conflict between states has fallen sharply, the frequency of civil war and other intra-state tensions have risen. In the ECE region there were 17 secessionist conflicts between 1990 and 1998, most of them involving war or large-scale violence and most of them a consequence of the dissolution of Yugoslavia and the Soviet Union. [1]

2. Human rights violations have been prominent in those internal conflicts, both as cause and consequence, and, as a result, human rights, which were brought to the fore by the Helsinki process in the 1970s, now figure prominently in any discussion of security and threats to the peace. Indeed, the human rights focus on the individual has helped to widen the concept of security to include issues ranging from the economic (stability and economic rights), through health (HIV/Aids), to the environment (transboundary pollution and water), and so on. [2] If security is now seen as involving not only military risks but also threats to stability arising in the economic, social and environmental spheres, their combination with the different levels of community (local, national, regional, global) leads to a dense matrix of security relations and risks. This broader agenda also involves many more actors than was the case when the principal threat was inter-state violence: NGOs and civil society organizations are very active in the fields of human rights and the environment, and virtually all international organizations contribute in one way or another to strengthening security and maintaining the peace. This is not really new in the case of the economic organizations, but the enlarged and more complex concepts of security have thrown this dimension of their work into sharper relief. One serious potential problem with this plethora of issues and actors is how to coordinate all the sources of information about the potential risks in different sectors (which, as will be argued below, interact in ways that are difficult to predict) and assess whether or not the risks involved are local or present a threat to systemic stability.

3. Another approach to security, which also enlarges the agenda, derives from the economic concepts of externalities and public goods. Many of the threats to regional or global stability arise from negative spillovers from events and activities in a given country to its neighbours: large and sudden flows of refugees and migrants escaping from civil war or economic failure, transboundary environmental pollution, and so on and so forth, can all create tensions and threaten regional stability. One of the key tasks of international organizations is to try to eliminate or internalise these effects by persuading their member countries to adopt and adhere to norms and standards of conduct ranging from the protection of human rights through technical standards for transport to the control of environmental pollution. As discussed below, financial assistance and appropriate advice in getting economic development under way can also make a major contribution to reducing the incidence of many of such externalities.

4. The concept of a public good – that is, a good or service whose consumption by one person does not reduce its availability to others, from which no-one can be excluded, and whose availability cannot be removed by an individual refusing to cooperate (e.g. by not paying taxes) [3] - has been extended to cover "global" public goods [4] such as security and peace (or rather, as discussed below, a "just" peace), clean air and water and so on. A major issue here is who will supply such goods and pay to maintain them.

5. Thus, since the early 1990s the concept of security has become much more complex and multi-faceted than simply the assessment of the risks of military conflict between states. The potential sources of instability are seen to be more numerous and the issues to be addressed vary according to whether the risks are located at the local, national, regional or global level. And, as noted above, the number of actors involved – state and private, national and international – is large, raising questions about the risks of overlap and a lack of coordination leading to a failure to take preventive action. The rest of this note is organised as follows: the next section discusses how to place economic issues in a broader framework for security and stability; this framework is then used to suggest some of the threats to stability and how policies might react to them. The discussion then turns to the work of the UNECE in the context of promoting security with emphasis on selected areas of the work programme where the potential risks appear to be greatest. A concluding section makes some suggestions as to how the UNECE contribution might be used more effectively in promoting and safeguarding security.

II. Security and the Economic Dimension

6. There has always been an economic dimension in many of the threats to peace as the long succession of violent conflicts over trade, natural resources, water rights and so on bear witness. But assigning a major role to economic factors in conceptions of global security is especially characteristic of the 20th century. In his criticism of the Versailles Treaty of 1919, Keynes rebuked its authors for not understanding that "the most serious of the problems which claimed their attention was not political or territorial, but financial and economic, and that the perils of the future lay not in frontiers and in sovereignties, but in food, coal and transport..."[5]. He also complained that the Treaty contained "no provisions for the economic rehabilitation of Europe – nothing to make the defeated Central Europeans into good neighbours, nothing to stabilise the new states of Europe, nothing to reclaim Russia..."[6].

7. By 1941, however, after both capitalism and democratic government in Europe had been virtually destroyed, the Allied governments gave considerable weight to the economic dimension in their priorities for the post-war order. The third freedom in President Roosevelt's Four Freedoms Speech of January 1941 was "freedom from want – which translated into world terms means economic understandings which will secure to every nation a healthy peacetime life for its inhabitants - everywhere in the world".[7] The fifth principle of the Atlantic Charter of August 1941 urged the allied governments "to bring about the fullest collaboration between all nations in the economic field with the object of securing, for all, improved labour standards, economic advancement and social security". At the heart of all such statements was the premise that the economic well being of countries was a primary determinant of their internal stability and in their maintaining peaceful relations with one another. The obverse was of course the belief that the

failures of inter-war capitalism had been a major factor leading to the Second World War. The statesmen who were largely responsible for creating the new post-war international order were clearly in no doubt as to the importance of the economic dimension of security and this was reflected in the network of international economic institutions they created, a network which has since greatly expanded and to which the UNECE and the other regional commissions of the United Nations belong.

8. For most of the period from 1948 to 1989, however, the international economic institutions were not generally perceived to be an integral part of the international security system. Security thinking and arrangements mainly referred to the relations between states and were essentially concerned with the military balance between the two blocs of East and West. Issues such as domestic stability, law and order, human rights and economic welfare did not figure prominently in the basic military calculus. Security and economics were for the most part kept in separate boxes. This narrow concept of security was largely unshaken by the various political revolts that occurred in Eastern Europe from the early 1950s. However, it was the Helsinki process, and especially the Helsinki Act of 1975, that revived the idea that security was not simply a matter of military balances and inter-state relations: social factors, human rights and economic performance were also crucial. This was apposite because the eventual collapse of Soviet hegemony in Eastern Europe and the collapse of communist regimes throughout the region owed more to domestic economic and social factors than to the relative strength of military alliances.[8] By 1990 the shift in emphasis was very marked. In its London Declaration in July NATO stressed its political role and insisted that security was not simply a military matter but a function of democratic systems of government and viable market economies. Democracy, human rights and the market economy were judged to be interdependent and moved up the agenda of all the international organizations, political and economic.[9] This recovery of the wisdom of an earlier generation, which can be seen as a culmination of the Helsinki process, amounts to the reconstruction of a liberal order of security in the ECE region where the use of force is rejected as a means of resolving disputes and a common framework of laws, norms and standards put in its place. Democratic process and economic development are key foundations of the system, but so are human and minority rights which are seen as legitimate matters of concern by the international community and, when violated, a reason for pressure on national authorities and, in extreme cases, grounds for outside intervention. Power relations do not disappear of course, but smaller countries have a greater influence in the institutions of this order than they would under a hegemonic system. The principal institutional components of this security-cum-economic order in Europe are the EU, NATO, the Council of Europe and the OSCE; but there are also a number of other organizations, either technically specialised or the regional arms of global organizations, which for many years have played a vital role in establishing and nurturing the habits of regional cooperation. The UNECE belongs to this latter group.

9. A key element of this broader approach to security and of the institutional framework for a new order is a neo-Kantian concern for justice. The cold war period was certainly one of peace and stability, albeit without the absence of anxiety that is normally associated with the idea of security, but most of the population of Eastern Europe would not have regarded it as "just". Current concerns for human rights, for economic prosperity, and for equitable and sustainable development reflect not simply a search for stability but also the desire for a "just peace".[10] This was Kant's concern when he discussed the conditions for a "universal and lasting peace".[11] Kant insisted that persons must be treated as ends themselves and not as mere means to achieving the

purposes of arbitrary rulers; where the subject was not a citizen, i.e., where the state was not a republic, it is "the simplest thing to go to war". Thus the internal constitution of the state and its external role in promoting peace are inextricably linked, and so Kant's condition for peace is that the constitution of every state should be republican. This clearly anticipates the current emphasis on human rights and the thesis of the "democratic peace", namely, that liberal democracies never declare war on one another. The thesis implies that the members of the security community not only share a core set of values but that they commit themselves to certain norms and rules of behaviour, and to an institutional framework for the peaceful and consensual resolution of disputes and conflicts. These values and processes determine both their internal political arrangements and the conduct of inter-state relations. Countries that seek membership of the EU and NATO, for example, are in effect not only seeking security in the narrow, traditional sense of the term but also recognition as states that subscribe to the values and accept the disciplines of the community of liberal democracies.[12]

III. Democracy and Economic Performance

10. Before summarising the essential elements that ensure the stability of a socio-political-economic system, an important step in the argument is to ask if it matters for economic performance whether a political system is democratic or not. Although the most prosperous countries in the world are democratic, doubts are sometimes raised about the direction of causation and it is often suggested that in poorer countries democracy may retard economic development, for example, by encouraging high rates of consumption at the expense of investment and by generally undermining the ability of governments to take difficult and, in the short run, painful decisions in the country's longer term interest. If this were true, then the current insistence on liberal democracy as a pillar of international security could be counter-productive in many cases. The contrary argument is that democratic process and free institutions are vital in promoting development and higher living standards. A key point is that democratic societies tend to be much better at solving their problems and achieving their aims than authoritarian states. This is because problem solving involves processes of trial and error, the encouragement and toleration of open criticism, and a willingness to change direction as a result of that criticism.[13] The latest Nobel prize winner in economics, Joseph Stiglitz, has vigorously argued for the importance of the democratic process for economic development: *inter alia*, the mechanism of "voice" helps to reduce the incidence of disruption by disappointed groups, and the institutions for participation and consultation make it easier to create the necessary consensus for reform.[14]

11. While admitting that knowledge about the causes of economic growth and the reasons for inter-country differences in performance is limited and often ambiguous about directions of causality, the empirical evidence tends to support this view of the instrumental effectiveness of democracy. In a recent study of 67 developing economies (including 9 ECE member countries) over the period 1970-1989, countries with higher levels of political and civil liberties achieved significantly higher growth rates than those with autocratic governments.[15] Moreover, the results reject the notion of reverse causality[16] (i.e. that democratic environments are the result of economic growth) and thus support the views of Popper, Stiglitz *et. al.* that democracy promotes development. Not all democracies are economically successful, but this is not because they are democratic but because of policy mistakes, inefficient bureaucracies, bribery and corruption, and so on, none of which are the monopoly of one régime or another. In newly independent states, or

states with nascent democratic institutions, the effects of policy errors, corruption etc. may well be much greater than elsewhere and threaten both democracy and economic development.

12. One particular problem, however, that may apply to a number of ECE countries in the CIS, is the so-called "resource curse", the paradox that countries with large endowments of natural resources, especially oil and non-fuel minerals, tend to grow more slowly than resource-poor countries and to be more prone to civil wars.[17] The evidence for the negative effect of oil in restraining the development of democracy in poorer countries appears to be robust, and is not confined to the Middle East. The suggested links between oil and authoritarianism include: a rentier effect, whereby the government uses low tax rates and high spending to deflate popular pressure for democracy; repression, whereby governments build up their internal security systems to deal with incipient revolt; and a modernization effect, whereby the lack of movement into industrial and service sector employment reduces pressures from the population to demand democratic rights.[18]

IV. The Requirements for Systemic Stability

13. Bringing together the various strands in the above discussion, the stability of a polity or any economic, political or social system can be seen to depend crucially on three main pillars, namely, legitimacy, order, and welfare.

Legitimacy concerns the justification of a government's authority over its citizens (or of an international or supranational body over its members), the procedures by which that authority is bestowed and exercised, and more generally the manner in which political, economic and other institutions are rooted in and reflect the values and traditions or, in the words of Adam Smith, the "moral sentiments" of the population concerned. As presented above, the liberal order, and the countries that embrace it, sees legitimacy as bestowed by the constitutional principles and processes of representative democracy. This is a core principle that leaves plenty of scope for variation in the ways it is implemented in practice and, indeed, for disagreement over whether the emphasis should be more on the role of liberty and free choice (à la Locke) or on equality and social justice (à la Rousseau).

Order refers to the agreed laws, rules, social norms and informal conventions which constitute the structure of incentives to pursue acceptable forms of behaviour (in the political, social and economic fields, and so on) and to sanction the unacceptable. It includes the institutions required for government to implement its policies and for citizens to pursue their legitimate aims. A well-ordered legislative and judicial structure is crucial for meeting this criterion.

The *welfare* element recognises that popular support for institutions and the system as a whole will not be sustained (or even created) if economic performance persistently falls below expectations and too many citizens regard the distribution of benefits and costs as unjust. As Adam Smith put it, "Justice is the main pillar that upholds the whole edifice".[19]

14. Satisfying these basic requirements is important for maintaining the stability of any socio-political system, be it a national system or the European Union, an international economic

arrangement (the Gold Standard, Bretton Woods, EMU etc.) or a collective security system (NATO, the Warsaw Pact). With hindsight, it can be seen that what was happening in central and eastern Europe and the Soviet Union over a long period up to 1989 was a simultaneous and inter-related deterioration in all three of the elements identified above – governments were increasingly seen by the populations they governed to lack the legitimacy of popular support; the political and social order was undermined by disillusion with the institutions of the state (enhanced in eastern Europe by resentment at interference by a foreign hegemony); and there was a long-standing deterioration in economic performance and individual welfare.

15. The fact that no one predicted the revolutions of 1989 (except with a margin of error of several decades) underlines the difficulty of assessing threats to systemic stability. The causal relations among social and political phenomena are extremely complex, more so than in the natural sciences. This is also the case for the relationships between the three components of stability suggested here: they are almost certainly non-linear and they are probably subject to Myrdal's process of "circular causation".[20] A serious deterioration in economic well-being may not disturb the stability of the system if popular support for institutions remains strong and if institutions fulfil the expectation that they will respond to social distress. In contrast, a relatively smaller deterioration in all three elements might pose a much greater threat to stability. There are also possible offsets within the system: rapid income growth may distract attention from institutional weakness, or, more ominously, nationalism may compensate, at least for a while, the failings of institutions and poor economic performance but at the risk of a future deterioration in international relations. The tolerance of social and economic hardship by different populations at different times is one of the most difficult matters for policy makers to judge – and as a result they are frequently taken by surprise either by sudden explosions of discontent or even by their non-appearance when most expected.[21] The suggestion was sometimes made in the late 1990s that early-warning indicators of economic threats to stability be constructed but it is unlikely that simple methods, using regression analysis for example, would be very useful. Much more applied research and quantitative analysis need to be done on this set of complex economic and institutional relationships. Conceptualization of the relations between economic and non-economic variables is necessary, but the final assessment of risk will have to be largely a matter of judgement about the interaction between quantifiable and non-quantifiable variables. Some suggestions as to how such judgements may be improved are made below.

V. UNECE and Regional Security

16. How does the work of the UNECE fit into the more general framework of security? Although the agenda for security was considerably enlarged in the wake of the Helsinki Process in the 1970s and by the collapse of communism in the early 1990s, economic collaboration among all the countries of Europe was already seen by the founders of ECE in 1947 as "making an important contribution to the political unity of the major powers".[22] Although that contribution was severely constrained in the early years of the cold war, all members of the Commission agreed on the institution's importance as an instrument for regular consultation and as a "bridge" between east and west. Since 1954, when the Soviet Union decided to participate in all the technical work of the Commission, there has been continuous interaction and cooperation between all the member States of the region. The importance of such regional cooperation in the security context was recognised in the Final Act of the CSCE in 1975 and subsequently in the Concluding

Document of the Vienna Follow-Up Meeting of the CSCE in 1989. In the latter, governments stated that they would "make further use of the existing framework, resources and experience of the ECE in areas of significance for the implementation of the recommendations of the CSCE". Cooperation with the OSCE has since developed extensively, not least because Basket Two of the Final Act of the CSCE covered many of the areas covered by the Commission. (In fact, the negotiations on many elements in this Basket were facilitated by the fact that they had already been extensively discussed in ECE, an example of positive feedback from the "micro-level" of cooperation). In part for historical reasons, cooperation among governments in ECE has focused on a large number of precisely defined technical problems on which the interested parties could negotiate without raising larger questions about their economic and social systems. The latter constraint has now diminished, but in fact this type of "grass-roots" or bottom-up cooperation has proved to be very successful.[23] Although much of the work in developing conventions, norms and standards rarely hits the headlines (because of its technical nature) it provides considerable and direct benefits to member countries and is an important part of the process of rule-setting for international relations which, in turn, facilitates the economic integration of the region. The fact that substantial economic benefits are obtained from such cooperation helps to underpin the commitment of member states to the process since success raises the opportunity costs of not cooperating. But from the perspective of the arguments presented earlier, the larger significance of this technical work is that it has helped to create a framework in which the habits of cooperation to overcome differences of interest and seek common ground have become deeply entrenched over the course of nearly 50 years. This is no small achievement and reflects what a collective security system is aiming to achieve at the macro-level. As long as it remains sensitive to the changing needs of member countries, especially those with more distant prospects, or no intention, of joining the EU, it should remain an important ECE contribution to long-run stability in the region.[24]

17. One of the reasons for enlarging the security agenda to include economic, humanitarian and other issues is to anticipate the worsening of problems with security implications in these areas, where they often develop unseen by political leaders until it is too late to avoid a crisis. Although much of the cooperation in ECE requires steady and undramatic activity over long periods, it is important to ask whether the work in the Commission's specialised areas points to any emerging problems that, left unattended, could eventually lead to serious international tensions. The next section identifies a number of such possible threats and the final section makes some suggestions as to how to respond to them.

VI. Threats to Stability in the ECE Region

18. Although there is a consensus that security in general is greatly enhanced by economic prosperity, respect for human and minority rights, and so on, the discussion above on the components of systemic stability was sceptical as to the feasibility of linking *particular* economic circumstances to *specific* security risks. Economic forecasting is still highly unreliable and to link formal economic forecasts to social and political outcomes would border on the reckless. Nevertheless, it does seem sensible to ask in a fairly pragmatic way whether there are features in the economic situation that might lead to increased tensions and to discuss whether there is a case for precautionary action. A number of areas of risk are suggested here, some regional and some sectoral. It is not meant to imply that these are the only areas where there are potential risks but

that *prima facie* they do appear to be sufficiently important to justify increased attention by the Commission, its Subsidiary Bodies, and the secretariat.

19. It has been clear for some time that progress in the transition process in eastern and central Europe and the former Soviet Union has been very uneven – a small number of countries in central Europe have been moving ahead but others have been falling behind especially in south east Europe and the CIS.[25] The ECE region is highly fragmented in terms of GDP per head – a highly prosperous Western Europe with a relatively large degree of convergence contrasts with a highly variegated but low-income periphery in the east. A small group of central Europeans (Slovakia, Hungary, Czech Republic, and Slovenia) have average levels of GDP (in purchasing power parity dollars) that are some 50-70 per cent of the EU average; Poland and the Baltic States are somewhat lower but growth and expectations are relatively strong. In south east Europe (or the Balkans), however, GDP per head is on average at best a quarter of the EU average (and in Albania much less). For most of the latter countries the 1990s have been a decade of economic regress and the gap between them and the prosperous west has increased – indeed the difference between them and central Europe is as large, if not larger, than that between the latter and western Europe. Economic backwardness and stagnation, as well as high (double digit) rates of unemployment, especially among young males, create ideal conditions for organised crime, drugs and human trafficking, and the flow of illegal migrants to the EU. The structural problems of the region are deep-seated and of long standing: given their unfavourable initial conditions at the start of transition, the lack of strong institutions, and their locational disadvantages vis-à-vis the European centre, the standard policy package for reform has not proved very successful. A key factor for the region's development is the outlook for sustained growth in the Yugoslav economy. Although the present government has made significant progress with reform, so far it has received little of the expected financial support from the international community. (Yugoslavia still has over half a million refugees within its borders and unemployment is around 30 per cent).

20. Another group of countries that deserves close attention is Central Asia and the Caucasus where some of the poorest countries in the ECE region are to be found, with levels of GDP per head that are well below a fifth of the EU average. Some of them will benefit from natural resource endowments (especially energy) but this can be a mixed blessing, as noted earlier. For those with such resources a key question is whether they are willing and able to design a strategy to move towards the "Norwegian" model or simply default into a Gulf-state rentier society. At present many of these countries are also important links in the networks of international crime and drug trafficking.

21. In terms of the three components of stability discussed earlier there are dangers that failures in one or two of these may create vicious circles that will be difficult to break without coordinated assistance from outside. In most of south east Europe, governments are democratically elected and changes have occurred peacefully, but institutions are often fragile or missing thereby reducing the effectiveness of economic policy which, in turn, helps to weaken economic performance and undermine the reputation of government. The combination of sub-optimal institutions and economic hardship will increase the temptation to resort to more authoritarian rule, ostensibly to overcome opposition to reform. In CIS countries with the prospect of substantial oil revenues that temptation will be greater still.

22. At present little information is available about the distribution of income *within* these countries and how it is correlated with minorities and different ethnic groups. Given the potential for secessionist conflict in various parts of these regions[26] a much closer monitoring of economic and social conditions within these countries (and their correlation with other factors such as human rights) would appear to be important.

23. Among the sectors of ECE's work where there are problems with important implications for security that can be easily identified are environment and energy, and in both cases some of the most pressing issues in these areas are located in the relatively high risk countries of the region identified above.

24. The ECE is the only pan-European institution for developing environmental cooperation and sustainable development in the region. Environmental degradation, resource depletion and associated spill-overs to neighbouring countries have considerable potential to create conflict and instability in the region. ECE's focus is on a wide range of transboundary problems – air pollution, water-courses, industrial accidents – and the five conventions[27] that it has developed constitute an important institutional and legal framework for enhancing regional cooperation and solving disputes in a peaceful and equitable manner. The *Convention on Environmental Impact Assessment* and on *Access to Information, Public Participation in Decision Making and Access to Justice in Environmental Matters* (the Aarhus Convention) underpin the importance of transparency and public support in resolving conflict and, as such, make a significant contribution to the "democratic peace".

25. Nevertheless, major problems remain and one of the most serious concerns river water. Disputes over its use, over the actions of upstream states in reducing flows, over pollution and quality are widespread. Moreover this is an area where the reach of regional environmental agreements is still limited. No agreements exist so far for all the riparian states in the CIS and south east Europe for the protection and sustainable use of major rivers such as the Bug, Debeda, Dniestr, Dnepr, Gandari, Psou, Sava, Terek, and Trebisnjica. In Central Asia there are major conflicts of interest over the use of transboundary waters between, on the one hand, for example, Kyrgzstan and Tajikistan, who want to increase their hydro-electric capacity, and, on the other, Kazakhstan, Turkmenistan and Uzbekistan where the priority is for irrigation water. Many of the countries in central Asia, the Caucasus, and south east Europe have yet to join the Convention on transboundary watercourses which would oblige them to reach bilateral and multilateral agreements. Countries that are unable to ratify and comply with ECE's environmental agreements weaken their impact on the region as a whole and increase the risks to security. Given the reputation of water as a major cause of conflict,[28] this is a dangerous set of problems that require urgent action.

26. The problems of energy are more multi-faceted and diffuse and do not appear to present security risks as precise or urgent as those mentioned above. But energy is obviously a crucial input to the region's economies and disruptions in supply, price shocks and so forth can have very damaging economic and social consequences. The requirements for energy security cover a wide range of issues including reducing excessive dependence on one type of energy or source of supply, ensuring the physical safety of supply lines for gas and oil, managing the process and consequences of liberalizing energy markets and so on. Solving such problems is more a matter of sustaining research and policy efforts over the medium term rather than responding to easily

identified, specific threats. Among the members of the CIS, however, there have been a number of energy-related disputes for which more urgent resolution is desirable. These concern a range of issues such as pricing, non- or late payment for imports of energy, theft from transit pipelines, access rights to transit infrastructures, and supply cuts sometimes with alleged political motives. These bilateral frictions increase the uncertainty in the region and discourage investment by domestic and foreign investors alike.[29]

27. In ECE's work in the international trade and transport sectors, specific risks to security are perhaps less common and not so easily foreseeable as those affecting water use, but interruptions to trade and dislocation of transport connections can impose major economic costs on the countries affected. An example of the latter is provided by the closure of the Danube and of road links through Yugoslavia during the Kosovo conflict. More generally, the poor state of regional transport networks as well as other obstacles to the smooth conduct of international economic transactions, such as cumbersome bureaucratic procedures and other causes of long delays at border-crossings, can create major bottlenecks in the process of regional recovery and integration.

28. Trade facilitation, better international transport systems, and coordination of the norms and standards governing their operation all support the broader process of economic integration in the ECE region, a process which is regarded as key in reducing the risks of violent conflict between states and, depending on the distribution of the benefits, within them as well. The important assumptions are that integration increases prosperity for all the countries concerned and, seeing that their improved welfare is dependent on one another, this leads to their increasingly strong commitment to the peaceful resolution of disputes. Somewhat paradoxically, however, increased integration also increases the vulnerability of economies to disruption from strikes, accidents, and acts of terrorism. This arises because the economic benefits of integration are closely related to economies of scale and an increasingly specialised division of labour between enterprises in different countries. In turn, the latter lead to increased dependence on trade and on the means of international communication. This increased inter-dependence is reflected in higher ratios of trade, especially of intra-industry trade, to GDP; but it is also graphically illustrated by such facts as that a metalworkers' strike in Germany can lead to warnings of job layoffs in Paris and Birmingham within a week, while a fire in a components factory in Toulouse can bring a car production line in Göteborg to a halt in days; the closure of two Alpine road tunnels can quickly have a significant impact on the North Italian economy; and a breakdown in just one or two computer systems can bring the civilian air traffic control system in Europe to a virtual standstill. Action to reduce the risk of terrorist attacks on key installations will, other thing being equal, raise transaction costs, national and international, throughout the region and thus slow the process of real integration. How significant this could be is difficult to judge, but it is important to recognise that, by their very nature, advanced, complex economies are full of such vulnerabilities

VII. Responding to Economic Risks to Security

29. ECE is not a security organization although, like other international economic organizations, its activities help to strengthen the foundations of the security system. A major advantage of the ECE, however, derives from the combination of its pan-European and North American membership and the multi-sectoral nature of the work of its Principal Subsidiary Bodies and its secretariat. This is an organization where, for example, expert work on energy, the

environment and transport is well established and where it should be possible to achieve a close integration of activities in these key sectors. Moreover, the combination of sectoral expertise and the participation of all European countries should mean that both a multi-sectoral approach to specific sub-regions and a broader approach to sectoral issues should in principle be much easier to achieve than in most other regional institutions. The issue for ECE is rather how to communicate its concern about the possible security implications of particular problems arising within its sphere of competence to those more directly concerned with security and to have those concerns addressed in a broader political context. The discussion needs to deal first with what ECE should itself do to make its assessments carry weight and attract attention and then with what needs to be done to improve coordination with other institutions in the region.

30. One of the conclusions from the analysis of the three main pillars of stability was that interaction between social, political and economic factors was likely to be complex, two-way and non-linear. One of the difficulties in dealing with this sort of problem is that it rarely coincides with the traditional boundaries of expertise, and experts often tend to remain within their special areas with little regard (or even sympathy) for the perspectives of other disciplines or indeed for the consequences of their recommendations outside their particular field of responsibility. There are real problems here of analytical integration as well as the defence of "turf", but attempts to improve matters should be pursued in national and international organizations, and within the ECE itself.

31. In assessing the problems of a particular sub-region or sector the ECE already has a fairly wide range of expertise that can in principle be brought to bear in making a reasonably comprehensive analysis and presenting well-argued conclusions and recommendations. Thus, in the case, say, of a sub-region such as Central Asia or the Balkans, Economic Analysis and Statistics should be able to provide the broad framework of analysis and set out the principal economic problems and policy issues; Trade and Transport ought to be able to provide a coherent analysis of the obstacles to the recovery of sub-regional trade and integration (south east Europe, for example); Energy and Environment would provide similar inputs in their areas of competence. Similarly, in the case of sectoral issues, Energy or Environment, for example, should be able to draw on the support of Economic Analysis, Statistics, and Transport. In practice, this type of coordinated effort is difficult to realize, not because the relevant staff is unwilling but because their expertise is sometimes too narrow for such broader policy perspectives or, as is usually the case, because their resources are already fully engaged by their respective PSBs. The latter are also usually reluctant to see what they regard as "their resources" being used for purposes which are perceived to be "outside their own agenda". Yet some attempt at more integrated approaches to policy analysis needs to be made along these lines if authoritative judgements are to be reached as to the implications of ECE's work for security in individual countries and the region as a whole.

32. The need for sharper focus also applies to the resources devoted to technical assistance. Thus, if the water problems of the Caucasus and central Asia are identified as a major security risk then it should become a priority for technical assistance to enable countries to ratify and implement the Conventions and other agreements designed to reduce or remove such risk and enhance the prospects for peaceful solutions through cooperation. Technical assistance should therefore be a matter of projecting the available expertise of the secretariat and its PSBs and targeting it at clearly defined priorities.

33. The more difficult task, however, is to integrate the various economic and technical assessments from ECE with those from other disciplines and other organizations so that an overall judgement can be made as to the seriousness of any security threat. There is no point in every "expert" and institution overstating the importance of his or its concern: if everything is at risk nothing will be done. Political leaders and their security advisers will need to have some idea, say, of whether the probability of conflict in region or country A is high or low, and whether it is greater than in region or country B before they decide whether they should act. A second stage in the assessment of risks identified by ECE within its spheres of competence, therefore, would be to invite comparable assessments in the same problem areas by experts in human rights, constitutional law, public administration, and other specialist subjects not covered by ECE. If there is a positive correlation between the various analyses the Executive Secretary might then decide to bring the matter to the attention of the Commission (under Rule 6 of the Rules of Procedure) and seek its advice on whether and how to proceed in drawing the attention of higher political bodies, such as the Security Council or regional security organizations, to the perceived threat to security.

VIII. Conclusion

34. The major risks to security and peace in the ECE region now appear to reside not so much in the prospect of violent inter-state conflict but in a number of internal sources of instability. The latter may easily become violent, not least because of the relatively easy access to sophisticated weaponry by dissident groups. The danger of war, however, is increased if internal conflicts, especially those involving ethnic or other minority groups, lead to intervention by outside states. Such internal conflicts, even when they engage relatively small numbers of armed combatants, tend to create large-scale civilian suffering (large numbers of casualties, refugees and other displaced people) and considerable economic costs which can spill over to neighbouring states often with de-stabilising consequences. The prospects for security and peace are greatly improved by states with thriving economies and socially acceptable distributions of incomes and wealth; states with high levels of poverty and gross inequalities of incomes and wealth increase the risks of instability and disruptions of the peace. The prevention of violent conflict depends to a large extent on competent and honest governments, which are accepted as legitimate by those that they govern, and which are capable of creating order (in the broad sense of paragraph 13 above) and sustaining an acceptable level of economic welfare. Economic integration is a force for increased prosperity and reducing the risks of inter-state conflict, but the mechanics of the process also make economies more vulnerable to terrorist attacks and other forms of disruption.

35. The failures of preventive diplomacy are really due to a lack of information and analysis rather than a political will to act. The duty of an international civil service, however, is to gather the appropriate information, conduct the analysis to the best of its ability, and leave such doubts to others.

36. The failures of preventive diplomacy may be linked to a lack of information and a narrow analytical framework. The outcomes of renewed efforts for broader and sounder analysis and information should be fed into the policy debate at national, regional and international levels so that the political will to act can be strengthened. Therefore international economic organizations, such as the ECE, have a mandate to strengthen the economic foundations of security and a responsibility to warn of any threats to it. Such warnings must be made on the basis of thorough

and competent analysis if they are to carry credibility, and they must then be brought to the attention of political bodies with decision-making responsibility for security.

NOTES

[1] Pavel K. Baer, "International Intervention in Secessionist Conflicts in Europe in the 1990s", in Anthony McDermott (ed.), *Sovereign Intervention*, Oslo: PRIO [International Peace Research Oslo] Report 2/99, p. 91. The 17 include the conflicts in the Basque region, in east Turkey, and Northern Ireland. The rest are all in the CIS or the former Yugoslavia.

[2] The human rights agenda is also a major factor in discussions of the circumstances in which the hitherto inviolate principle of state sovereignty should be suspended to allow international intervention to prevent ethnic cleansing and other major violations of human rights.

[3] These technical characteristics of a public good are known as non-rivalrous, non-excludable and non-rejectable.

[4] Charles P. Kindleberger, "International Public Goods without World Government", *American Economic Review* 5(1) 1986, pp. 1-113; Inge Pauk, Isabelle Grunberg, Marc Stern (eds), *Global Public Goods – International Cooperation in the 21st Century*, Oxford: Oxford University Press, 1999.

[5] John Maynard Keynes, *The Economic Consequences of the Peace*, London: Macmillan, 1919, p. 134

[6] *Ibid*, p.211

[7] *The Public Papers and Addresses of Franklin D. Roosevelt*, New York: 1941, p.672

[8] The relatively low ranking given by security specialists to the economic dimension, to the sources of domestic stability and their connection to international relations, was probably one of the reasons why the revolutions in eastern Europe in 1989 and the subsequent collapse of the Soviet Union caught most observers by surprise.

[9] Although the Secretary General of the UN presented his ideas on preventive diplomacy in 1992 they contained hardly anything on the economic dimension, although democracy and human rights were stressed. Boutrol Boutros-Ghali, *An Agenda for Peace*, United Nations: New York, 1992. His subsequent *Agenda for Development* appeared only in 1995. The close relationship between political and economic change in the transition economies was constantly emphasised by the UNECE, which produced the first comprehensive analysis of the transition process in April 1990. (UNECE, *Economic Survey of Europe in 1989-90*, New York and Geneva, 1990, and subsequent issues.)

[10] Recall the bleak observation of Tacitus in his biography of Agricola: "*Ubi solitudinem faciunt, pacem appellant.*"

[11] Immanuel Kant, *Metaphysical Elements of Justice* in H. Reiss (ed.), *I. Kant. Political Writings*, Cambridge: Cambridge University Press, 1970.

[12] This is not meant to suggest that NATO enlargement will automatically promote democracy. In the past, some of its members moved from democracy to autocracy and back again without leaving the organization. The stronger force for promoting and strengthening democratic institutions in Eastern Europe is more likely to be the EU. See Dan Reiter, "Why NATO enlargement does not spread democracy", *International Security*, Vol. 225, No. 4 Spring 2001, pp. 41-67. On the question of how fellow democracies are to be recognised, by whom and under what conditions, see Michael C. Williams," The Discipline of the Democratic Peace: Kant, Liberalism and the Social Construction of Security Communities", *European Journal of International Relations*, Vol. 7(4) 2001, pp. 525-553.

[13] This is a key argument in Karl Popper, *The Open Society and its Enemies*, Routledge and Kegan Paul: London, 1995.

[14] This is one of the main themes in a recent collection of his lectures and speeches. See Ha-Joon Chang (ed.), *Joseph Stiglitz at the World Bank: The Rebel Within*, Anthem Press: London, 2001, especially chapters 7 and 8. Rodrik has shown that countries with closed political systems and authoritarian governments were much less effective in dealing with the effects of the oil shocks of the 1970s than countries where the general population had access to political institutions. Dani Rodrik, "Where did all the growth go? External Shocks, Social Conflict and Growth Collapses", *NBER Working Paper No. 6350*, National Bureau of Economic Research, New York: January 1998.

[15] Michael A. Nelson and Ram D. Singh, "Democracy, Economic Freedom, Fiscal Policy and Growth in LDCs: A Fresh Look", *Economic Development and Cultural Change*, Vol. 46(4), July 1998, pp. 677-696.

[16] This conclusion was drawn after controlling for other factors influencing the rate of growth.

[17] Paul Collier and Anke Hoeffler, "On Economic Causes of Civil War", *Oxford Economic Papers*, Vol. 50, October 1998. The probability of civil war with respect to natural resources, however, is non-monotonic, being higher at earlier levels of development and decreasing as the government increases its financial resources and thus its capacity to defend itself by force.

[18] Michael L. Ross, "Does oil hinder democracy?", *World Politics*, Vol. 53(3), April 2001, pp. 325-361.

[19] Adam Smith, *The Theory of Moral Sentiments*, Oxford: Clarendon Press, 1976, p. 86.

[20] That is, where a change in one variable leads to changes in other variables, which then produce feedback effects on the original variable. Gunnar Myrdal, *An American Dilemma*, Harper & Brothers: New York, 1944, Appendix 3.

[21] On the latter point see Michael Ellman, "The Social Costs and Consequences of the Transformation Process", *Economic Survey of Europe*, 2000, No. 2/3, United Nations: New York and Geneva, 2000, pp. 138-9, and also p. 46.

[22] See David Weightman, *Economic Cooperation in Europe. A Study of the United Nations Commission for Europe*, London: 1956, p. 259.

[23] Since 1980, 14 internationally binding instruments, 5 conventions and 9 protocols have been agreed in the *environment* sector dealing with air pollution, impact assessment, industrial accidents, transboundary waters, and public participation. In *transport*, more than 50 agreements and conventions have been negotiated creating safety and environmental standards, harmonizing national regulations, reducing the complications of border-crossings, and providing for the development of coherent infrastructure networks for road, rail and inland water transport. In *trade* the focus has been on facilitation with more than 30 agreed recommendations to reduce and harmonize procedures and paperwork; governments have also established a European Convention on International Commercial Arbitration, and guidelines have been published for promoting trade through the improvement of legal and contract practices. In *energy*, international agreements have been reached in a number of areas affecting coal and gas, and current work includes harmonization of national regulations and specifications for energy and the environment, and energy efficiency. Cooperation in the field of *standardization* cuts across all the areas of ECE's technical work, including timber and statistics, and the Working Party on technical Harmonization and Standardization Policies has made a number of recommendations to improve harmonization

[24] A study of violent conflicts over a 35-year period showed that shared membership of many international organizations significantly lowered the probability of armed conflict between any two states, a probability that was further reduced when they were democratic and interdependent. See Bruce Russett *et. al.*, "The Third Leg of the Kantian Tripod for Peace: International Organizations and Military Disputes 1950-1985", *International Organizations* 52(3) 1998, pp. 441-467.

[25] UNECE, "Catching Up and Falling Behind: Economic Convergence in Europe", *Economic Survey of Europe*, 2000, No. 1, New York and Geneva, 2000, Chapter 5.

[26] Pavel K. Baer, *loc. cit.*, p. 110, identifies 16 potential secessionist conflicts in the ECE region, seven with medium and five with high probability.

[27] For a clear and concise account of these conventions see Branko Bosnjakovic, "The UNECE Environmental Conventions: Their Role and Potential to Promote Conflict Prevention and Settlement of Disputes in Transboundary Environmental Issues", in Eileen Petzold-Bradley *et. al.* (eds), *Responding to Environmental Conflicts: Implications for Theory and Practice*, Kluwer: Amsterdam, 2001, pp. 264-282.

[28] Narolta Gaan, "Water Not Oil. Crisis of the Twenty-First Century", *World Affairs*, 5(3), July-September 2001, pp. 94-108.

[29] On recent disputes over energy and related problems of intra-CIS debts see UNECE,*Economic Survey of Europe*, 2001 No.1, pp.152-155 and pp.159-163

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ECONOMIC COMMISSION FOR EUROPE

Fifty-seventh session
(Provisional agenda item 8)

PROGRESS REPORT ON ECE TECHNICAL ASSISTANCE

Report by the Chairman of the
Group of Experts on the Programme of Work

The Commission, at its Ad Hoc Informal Meeting of 5 November 2001, requested the Group of Experts on the Programme of Work to conduct a "systematic evaluation" of ECE Operational Activities and to report back thereon. The report below summarizes the Group's discussions and concludes that no formal action is required by the Commission at this point.

1. As requested by the Commission, the Group of Experts on the Programme of Work (GEPW) met on a number of occasions to discuss ECE operational activities and organised a briefing meeting with senior staff of the Coordinating Unit for Operational Activities. In addition, the Chairman of the GEPW held bilateral consultations with several member States, as well as with staff from the secretariat.

2. Initial discussions indicated that member States were unclear about both the strategy and the process of operational activities. This made an assessment and evaluation difficult. It was acknowledged that the secretariat had supplied substantial information on operational activities (e.g. E/ECE/1390 of 29 August 2001 and supplements). But, nevertheless, member States lacked a clear understanding of the procedures involved in technical assistance activities, from conception through funding and implementation, and on to follow-up and evaluation.

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3. Member States thought that the presentation of the regular reports on ECE technical assistance activities could be simplified, less detailed and more 'use-friendly' for member States. Further information could always be requested if necessary. This would also have the advantage of providing time and efficiency benefits for the secretariat.

4. On funding, experts asked the secretariat to provide clear, concise and timely documents when seeking project funds from capitals. All projects should be within the overall mandate of ECE, and should fall clearly within a niche area of ECE activity. In order to overcome at least some of the difficulties associated with fundraising, the secretariat should be able to demonstrate clearly why ECE is better placed than other organizations to carry out particular projects. Experts from some potential donor countries thought it would be easier for them to market project proposals in their capitals if they were well drafted and argued, with an indication of funding requirements. A proposed format for fundraising requests is attached to this report.

5. The briefing provided by the Coordinating Unit for Operational Activities (CUOA) was welcome, and answered many queries that experts had concerning ECE technical assistance activities. Experts felt that regular briefings by the secretariat, perhaps on a six-monthly basis, would enable them to keep abreast of developments and allow them to make proposals for new projects.

6. The briefing did not address issues such as project evaluation or impact assessment, but these issues will be discussed more substantively at a future briefing meeting, as will be the linkages between Regional Advisers, regular Division staff and the Principal Subsidiary Bodies in carrying out technical assistance activities.

7. Experts agreed that, on the issues discussed so far, it was not necessary for any formal recommendations to be made to the Commission. They expressed gratitude to the CUOA for its readiness to provide briefing meetings on a regular basis, and for its willingness to supply information to the Group.

ECE TECHNICAL ASSISTANCE
PROJECT OUTLINE

Project title:
Background: *(Where did the proposal originate?)*
Capacity/niche: *(Does the secretariat have existing capacity and resources to carry out the project? And on which niche area of ECE expertise will the project depend?)*
Objectives and expected outcome: *(What does the project aim to achieve, and how will the outcome be measured?)*
Project details: *(Please provide full details of the proposed project, including any implementing partners)*
Timetable: *(Project dates; deadline for funding)*
Funding requirements: *(Please provide a full breakdown of costs for this project)*

Contact for further information:

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ECONOMIC COMMISSION FOR EUROPE

Ad Hoc Informal Meeting
16 January 2002

FORMAL SEGMENT
RECORD OF DECISIONS

1. The formal segment of the Ad Hoc Informal Meeting of the Commission of 16 January 2002 dealt with Agenda Item 2: Designation of new Chairperson and election of a new Vice-Chairperson.

2. The Chairman announced that he would be leaving Geneva at the end of January 2002 to take up another assignment. It would therefore be necessary, in accordance with the Commission's Rules of Procedure, to designate one of the Vice-Chairpersons as Chairperson and to elect another Vice-Chairperson for the unexpired portion of the term.

3. The Commission designated Ambassador Kálmán Petocz of Slovakia as Chairperson and elected Ambassador Michèle Pranchère-Tomassini of Luxembourg to serve as Vice-Chairperson by acclamation.

4. The Chairman declared the formal segment finished and converted the meeting to an informal meeting.

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